In the Matter of Application of CALIFORNIA-AMERICAN WATER SERVICE COMPANY (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by \$2,020,466 or 10.88% in the year 2007; \$634,659 or 3.08% in the year 2008; and \$666,422 or 3.14% in the year 2009.

A.06-01-005 (Filed January 9, 2006)

LATE-FILED NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES

The Division of Ratepayer Advocates (DRA) submits this Notice in accordance with Rule 8.5 of the CPUC's Rules of Practice and Procedure.

The communication was between Tatiana Olea (Staff Analyst) on behalf of DRA and Laura Krannawitter (Advisor to Commissioner Bohn). The communication was initiated by DRA and consisted of a telephone call on August 20, 2007, at approximately 1:00 p.m. There were no written materials involved in the communication.

DRA raised concerns about the Conservation Loss Adjustment Mechanism (CLAM) contained in both ALJ Walwyn's Proposed Decision and the Alternate Proposed Decision of Commissioner Peevey. DRA stated that developing a CLAM for Cal-Am's Los Angeles District is not feasible at this time, and that the PDs should not conclude, in the absence of further analysis and evidence, that a CLAM does not merit an adjustment to return on equity (ROE). DRA stated that it continues to support the Water Revenue Adjustment Mechanism (WRAM) negotiated with Cal-Am in Phase II of this proceeding.

Furthermore, DRA recommended that the issues of conservation rates, WRAM, and ROE effect for the Los Angeles District should be moved to Phase 1B of the Conservation OII (I.07-01-022).

Copies of this Notice can be obtained by calling or sending e-mail to Sue Muniz at (415) 703-1858 (e-mail - sam@cpuc.ca.gov).

Respectfully submitted,

/s/ NATALIE D. WALES

Natalie D. Wales Staff Counsel

Attorney for the Division of Ratepayer Advocates

California Public Utilities Commission 505 Van Ness Ave. San Francisco, CA 94102 Phone: (415) 355-5490

Fax: (415) 703-2262

August 24, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of "LATE-FILED NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES" in A.06-01-005 by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[X] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses, if any.

Executed on August 24, 2007 at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

Service List A.06-01-005

Martina@akwater.com; Pinkie.L.Nichols@KP.Org.; bmarticorena@rutan.com; cmw@cpuc.ca.gov; councilofficedistrict2@cityofinglewood.org; creisman@wkrklaw.com; dalderson@rwglaw.com; darlene.clark@amwater.com; demorse@omsoft.com; des@cpuc.ca.gov; dsb@cpuc.ca.gov; dstephen@amwater.com; flc@cpuc.ca.gov; gkau@cityofinglewood.org; jguzman@nossaman.com; jhawks cwa@comcast.net; jmarkman@rwglaw.com; jvasquez@cityofbradbury.org; krozell@wkrklaw.com; ldolqueist@steefel.com; llk@cpuc.ca.gov; lweiss@steefel.com; mkb@cpuc.ca.gov; mmattes@nossaman.com; mrx@cpuc.ca.gov; ndw@cpuc.ca.gov; nyg@cpuc.ca.gov; pschmiege@schmiegelaw.com; rball@cao.lacounty.gov; sdlee3@pacbell.net; sferraro@calwater.com; tfo@cpuc.ca.gov; tkim@rwglaw.com; uwua@redhabanero.com; ywc@cpuc.ca.gov;